

# Opportunity-based new venture creation: An opportunity, outcome and process (O-O-P) framework

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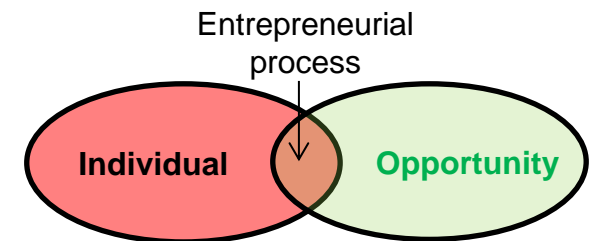
# Outline

## Focus:

- New venture
- Role of 'opportunity' in entrepreneurial startup process (IO-nexus)

## Issues to address:

- Is 'opportunity' a necessary & sufficient determinant?
  - ✓ An object (antecedent) of entrepreneurial *phenomenon*?
    - Why venture
  - ✓ Or subject of entrepreneurial *process*?
    - For what venture *outcome* (end/s)
    - How to (mean/s) venture → exploit opportunity; achieve outcome



## Purpose of research: *a priori* General theory/conceptual framework

- *a priori* general theory / conceptual O-O-P framework:  
*'From opportunity, through opportunity, to opportunity'*

### • Causality:

Antecedent (opportunity) →→ End (outcome) <sup>ex-ante</sup> →→ Mean (process) : *a priori*



### • Solves circularity:

Antecedent (opportunity) →→ Mean (process) ↔ End (outcome) : *a posteriori*



# O-O-P framework: Development

*'From opportunity, through opportunity, to opportunity'*

**Integrates/develops theory for research & practice, revealing:**

## (1). Nature of key variables

### • **Antecedent** – *What (opportunity):*

→ **Ontology** of opportunity (*what, where, why, when*) in the yin-yang universe

- ✓ **Duality**: **Nexus** of 2 elements **interacting under imperfect conditions** in new or existing markets as either **root-origin** or **instrumental mean** and vice versa.
- ✓ 8 opportunity-nexuses /types
- ✓ Each: unique **risk/uncertainty profile**, 1 of 2 unique **orientations**

→ **Epistemology** of opportunity: *How formed*:

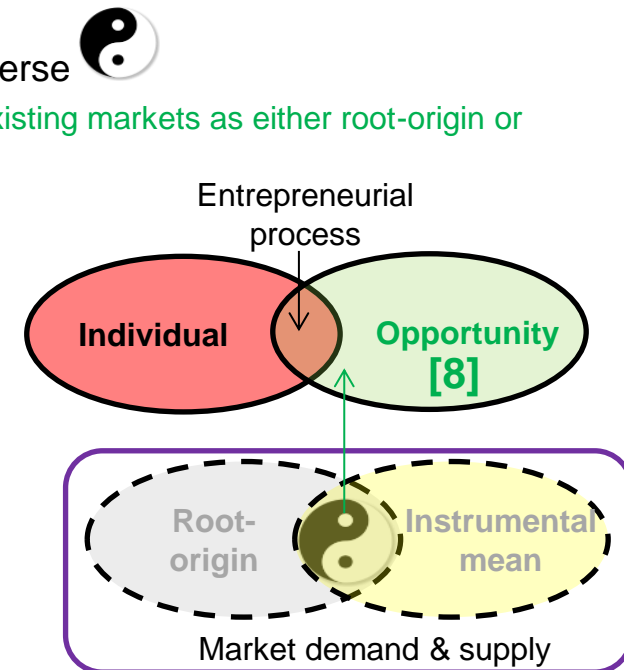
- ✓ 3 extant traditions:
  - Discoverist-realist, constructionist, & creationist-evolutionist
- +1 new view: **Regressionist**

### • **End** – *For what (venture outcome):*

- ✓ **Related back to root-origin**

### • **Mean** – *How (process/action) exploit opportunity to achieve outcome*

- ✓ 2 continua of **orientations**



## (2). Causality:

Antecedent (**Opportunity/root-origin**) →→ End (Venture **Outcome**) →→ Mean (**Process**)



# O-O-P framework: Contribution

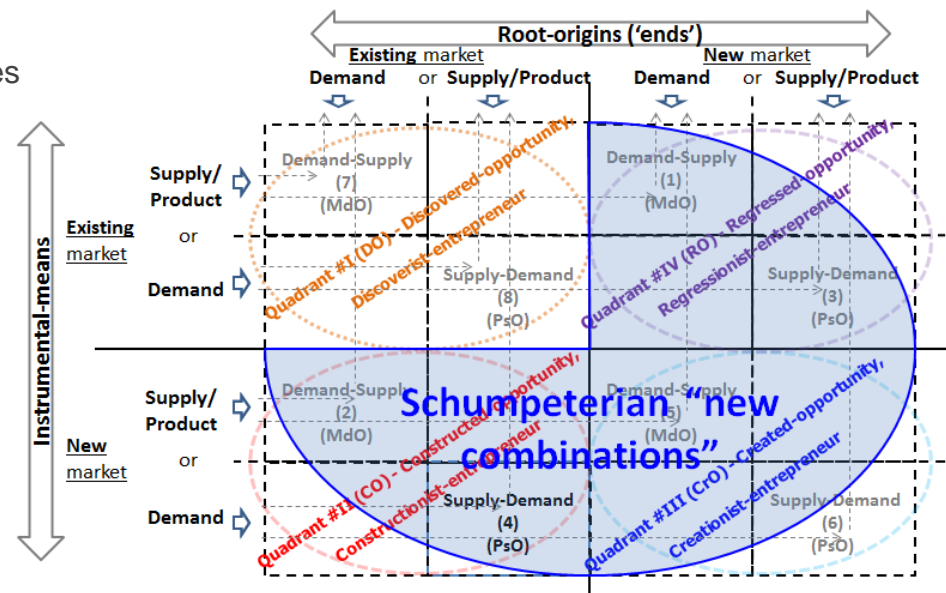
*‘From opportunity, through opportunity, to opportunity’*

Antecedent (Oppportunity/root-origin) →→ End (Venture Outcome) →→ Mean (Process)

## Operationalizes theory for research & practice:

### • Opportunity-hexadecadrant –

- ✓ Shows opportunity: types, how many, profiles, outcomes, means/processes
- ✓ Indicates ‘degree’ of entrepreneurship & ‘level’ of innovation (Davidsson, 2004; Metcalfe, 2009; Schumpeter 1934)
  - Risk-uncertainty (Knight, 1921)
  - Degree of innovativeness
- ✓ Provides an Integrated decision-making platform
  - Highlights endogenous & exogenous innovative changes (Drucker, HBR1985; Schumpeter, 1934; Von Hippel, RP1982)
  - Facilitates strategic decision-making
    - » Strategies
    - » Boston matrix
    - » Porter’s 5 forces,
    - » PEST analysis
    - » force-field analysis
    - » etc.
  - Develops competitive response to imitative entries



# O-O-P framework: Value

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- **Coverage of domain area:**

- ✓ Wide and extensive

- (Per Davidsson, Douglas Evans, Saras Sarasvathy, Dean Shepherd, Shane, Venkataraman, Alvarez/Barney/Young)

- ✓ Deep

- (Alfred Marshall, Hayek, Von Mises, Kirzner)

- (Schumpeter, Drucker)

- (Knight, Gleick)

- (Kahneman, Popper)

- etc., etc. . .

- ✓ Time horizon

- (Fuxi 2800 BCE, Descartes)

- **Plenty of takeaways**

- ✓ Research

- ✓ Practice

- ✓ Teaching

- ✓ Policy-making